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RUEHOO/CHINA POSTS COLLECTIVE

RUEHPF/AMEMBASSY PHNOM PENH PRIORITY 0007

RUEHHI/AMEMBASSY HANOI PRIORITY 0009

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VM, FR, TH

SUBJECT: FRANCE KEEPS CLOSE DIPLOMATIC LINKS WITH MEKONG REGION

REF: A. 08 CHIANG MAI 174 (WITHOUT BURMA, EAST-WEST CORRIDOR)

[1B.](#) 08 CHIANG MAI 169 (CROSS-BORDER MOVEMENT OF PEOPLE IN GMS)

[1C.](#) 07 CHIANG MAI 166 (NORTHERN THAILAND AND NORTH-SOUTH CORRIDOR)

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Summary and Comment

[11.](#) (U) Summary: Public and non-profit links between France and member countries of the Greater Mekong Subregion (GMS) underscore the close diplomatic links that France maintains on the Indochina peninsula. The GOF supports research projects that raise awareness about key Mekong regional issues including the downstream environmental impacts of Chinese dams on the Mekong River basin and the socio-economic effects of expanding trade and investment. A French Embassy-sponsored seminar showed that educational partnerships and GOF-sponsored academic seminars are France's main diplomatic tools for sustaining an active role in the region.

[12.](#) (SBU) Comment: France's active engagement in the Greater Mekong Subregion is a positive complement to China's dynamic position in the region. While China is a driving force behind many of the GMS's contentious issues, including hydropower generation and increasingly competitive regional trade, France -- through its academic and research partnerships -- is advising GMS countries to make thoughtful and smart policy decisions that consider environmental and socio-economic consequences. In particular, France's relatively deeper historical links with the lower Mekong countries explains its focus on awareness of the downstream effects of GMS development. End Summary and Comment.

Research Partnerships Link France to the Mekong

[13.](#) (U) While France's strongest historical ties are to the lower Mekong River countries, French academic institutions, with GOF support, are extending their diplomatic reach northward to the upper Mekong River region, referred to as the Greater Mekong Subregion (GMS). A variety of joint research centers in the region seek to deepen understanding of GMS policy issues and their consequences and underscore France's active engagement. Representatives from the French Embassy in Bangkok highlighted these programs during the fourth annual French-Mae Fah Luang Seminar on Mekong Studies in Chiang Rai on February 25-26 (see para 7 for details).

¶4. (U) One joint program is the French-Upper Mekong Subregion Academic Cooperation Centre at Mae Fah Luang University in Chiang Rai. Established in 2004, the Center aims to serve as a point of "knowledge exchange" between France and GMS countries through research activities, graduate study, and cultural exchange. The Center has been hosting semiannual seminars - one on social science issues and another on science and technology issues - since its establishment. In particular, the Center's research focuses on sustainable development in the GMS.

¶5. (U) The Research Institute on Contemporary Southeast Asia (IRASEC) is a research center under the French Foreign Ministry that conducts studies on socio-cultural issues across Southeast Asia. In GMS specifically, IRASEC conducted a four-year study on regional construction and national resistance in the GMS. The program noted several obstacles in the construction of the GMS including the ecological consequences for the Mekong basin, the dominant role of international organizations such as the Asian Development Bank (ADB), and the rising risks of trafficking issues as borders become more porous.

¶6. (U) Other joint French-Mekong programs include the following:

-- The Illicit Trafficking Observatory of the French Embassy in Thailand is a publicly sponsored but independent research unit gathering data and producing analysis of illicit trafficking activities in the GMS.

-- The Center for International Cooperation in Agricultural Research Development (CIRAD), which is based in Bangkok, has a scientific and environmental mission, including research on biological systems, emerging diseases, and water management. In the GMS region, CIRAD hosts 26 researchers across Thailand, Laos, Cambodia, and Vietnam.

-- Development Research Institute (IRD) is a public French science and technology institute located in Bangkok that

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conducts research on poverty reduction, environmental hazards, and international migration. In the GMS region, its engagement is centered in Laos through programs such as the "Catch-Up" program on agricultural development.

-- The Research Center and Library of the Ecole Francaise d'Extreme-Orient (EFEO) in Chiang Mai is a satellite research unit of EFEO that advances preservation of GMS cultural relics such as palm leaf manuscripts in Thailand, Burma, and Laos. EFEO maintains a network for such libraries and resource centers across southeast Asia.

France Raises Awareness on Regional Mekong Issues

¶7. (U) Econ staff attended the French-Mae Fah Luang Seminar on Mekong Studies in Chiang Rai on February 25-26. During the seminar, French and GMS region researchers provided analysis on two main GMS policy areas -- the environment and commerce.

-- L'Environnement --

¶8. (SBU) The downstream environmental consequences of Chinese dams along the upper Mekong River, which include decreasing Mekong River water levels, drying up of tributary bodies of water, and declining volumes of fish, have been a long-standing point of contention among GMS member countries. France's National Institute for Industrial Environment and Risks (INERIS) Researcher Dr. Bastien Affeltranger said that the primary barrier to addressing negative environmental impacts in the Mekong basin is a lack of information-sharing among member countries. He asserted that the current state of intergovernmental agreements on the exchange of Mekong hydrological data is insufficient for full regional cooperation on river management and environmental impacts. Established in 1995, the Mekong River Commission (MRC) is the body that should assume this responsibility; however, China and Burma have not

signed on, leaving little international legal obligation for data-sharing between the upper and lower Mekong countries. Dr. Affeltranger said that China's lack of participation in the MRC is particularly problematic because it means individual GMS countries must negotiate bilaterally for more data on upper Mekong hydraulics in order to better evaluate downstream effects, information that China seems to be keeping close hold. (Note: Our Thai contacts who have traveled into Yunnan to observe GMS development informed us that they were not permitted to visit a Mekong River dam.)

-- Le Commerce --

¶9. (U) Researchers also elaborated on changes in GMS regional trade and economic integration and their consequences. Chulalongkorn University Professor of Economics Dr. Suthiphand Chirathivat shared that intra-regional trade - that is, trade among Cambodia, Laos, Burma, Thailand, Vietnam, and China's Yunnan and Guangxi Provinces - as a percentage of each country's total trade is rising. In Thailand, where the North-South and East-West economic corridors of the GMS meet, the change has been most dramatic: increasing from 7.7% in 2001 to 13.6% in ¶2006. On average for all five GMS countries plus the two Chinese provinces, the share of intra-regional trade has increased from 10.8% in 2001 to 15.2% in 2005. Dr. Suthiphand commented that GMS integration is positive for Thailand, providing economic linkages and opportunities both to southwest China and northeast India.

¶10. (U) French Embassy Thailand's Illicit Trafficking Observatory Counselor Anne-Lise Sauteray complemented the discussion of expanding trade by highlighting the heightened trafficking trends that correspond to more porous international borders. Sauteray commented that the GOF set up this Observatory on illicit trafficking because of the lack of good data, analysis, and communication between actors on trafficking activities in the GMS region. The Observatory has produced research showing rising trends of trafficking and illicit drug seizures in the region, and indicating that one of the main avenues for this trafficking is along the North-South corridor through Thailand. Sauteray noted that the main audience for the observatory's findings is law enforcement agencies and international anti-trafficking agencies.

¶11. (U) This cable was coordinated with Embassy Bangkok.
MORROW